

Cooperatise, don't privatise

Broadside continues to disappoint with its reflex support for public ownership.

Reflexes are a substitute for analysis and if *Broadside* is to achieve its title's implication, then it needs to explicitly broaden its understanding of social ownership as including, but not equating, public ownership.

Social ownership has tended to be defined as public ownership and this has been historically embraced by Labor governments - in theory, if not always in fact.

Of course in recent years Labor governments have been sponsoring the creeping privatisation of public agencies and functions. This is an inconvenient fact when a Labor government, seeking re-election, argues that it is a public ownership party compared with privatising Coalition parties.

The debate over the ownership of public utilities clearly illustrates how Labor governments have locked the political debate into a privatisation continuum - with the debate about the extent of privatisation.

As the Liberal National Coalition in Victoria has pointed out, for example; Labor has privatised 40% of the Loy Yang B Power Station, the heavy vehicle fleet and part of the overburden removal in the Latrobe Valley - all previous functions of the State Electricity Commission of Victoria (SECV).

There is, however, another form of social ownership - cooperative ownership. Unlike public and private enterprises, cooperatives are democratic - owned by the consumers of services. A precedent for this is the rural electric cooperative movement in the USA.

The cooperatives were first developed in the 1930s because existing private utilities were not interested in serving what they deemed to be unprofitable rural areas. Farmers and other rural residents, therefore, had to establish their own utilities - electric cooperatives.

Together the USA's 1,000 electric cooperatives are economically larger than the SECV. They generate 31,168 MW (compared to

7,763 MW), serve 12 million consumers (compared with 1.8 million) and employ 60,000 workers (compared with 15,000). The SECV is a vertically integrated public monopoly which is being privatised. In contrast the rural electric cooperative movement is decentralised and democratic.

The impetus for electric cooperatives was rural development - the electrification of rural America. This began an ongoing commitment to improving the lives of the members and, therefore, the communities of members.

In 1987 for example the cooperatives established the National Rural Health Network to promote healthy lifestyle habits and reduce risks for diseases in rural communities.

In 1986 it was estimated that since 1961 at any given time one third of rural electrics were active, a third were moderately active and a third inactive in rural development. since 1961 22,000 job-related projects have been supported by rural electrics - generating 619,000 direct and 402,000 indirect jobs.

The Labor movement should seriously consider the practicality and desirability of cooperatising public utilities - before they are all privatised.

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